

EXHIBIT 3

AMENDMENT TO LEASE

THIS AMENDMENT TO LEASE, made and entered into this 27th day of August, 1965, between PATTON AVENUE DEVELOPMENT CORPORATION, a North Carolina corporation having its principal office at Post Office Box 1747, Greensboro, North Carolina, 27402, herein referred to as "Landlord", and S. S. KRESGE COMPANY, a Michigan corporation having its principal office at 2727 Second Avenue, Detroit, Michigan, 48232, herein referred to as "Tenant";

WITNESSETH:

WHEREAS, Landlord and Tenant entered into a certain lease agreement dated December 18, 1964 relative to a certain tract or parcel of land in the City of Asheville, County of Buncombe, State of North Carolina, in a Commercial Development known as K-mart Plaza, a memorandum of which was duly recorded in the Office of the Register of Deeds of Buncombe County, North Carolina, on March 22, 1965, in Book 918, at Page 279; and

WHEREAS, it is the desire of the parties hereto that said lease be amended.

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00) by each of the parties paid to the other, the receipt of which is hereby acknowledged, the parties hereto do hereby covenant and agree, each with the other, as follows:

1. Article 18 of said lease dated December 18, 1964 is hereby amended to provide that anything in said Article 18 to the contrary notwithstanding, Tenant shall not cancel said lease, abate rentals, or otherwise credit or offset damages against rentals for default of Landlord in the performance of any covenant of said lease, either affirmatively or negatively, which act or omission relates to property beyond the limitation of the real estate described in Exhibit "A" attached to said lease; provided, however, nothing herein contained shall be construed as a waiver of rights in personam against the Landlord nor remedies by way of injunctive relief against the Landlord. Wherever the word "Landlord" is used herein, it is intended that this shall also include the Landlord's principal owners, stockholders, directors, officers and their assignees or vendees.

2. Article 20 of said lease dated December 18, 1964 as aforesaid is

hereby amended by adding the following sentence at the end of the fifth paragraph of said Article 20:

"The determination of that portion of any condemnation award to which the Tenant is entitled under this Article 20 shall be subject to approval by the holder of a properly recorded first mortgage against the demised premises, which approval shall not be unreasonably withheld, and no distribution of any condemnation award shall be made to the Tenant under this Article until such approval shall be obtained."

3. Articles 13, 19 and 36 of said lease dated December 18, 1964 are amended by adding a new sentence at the end of each Article as follows:

"Provided the holder of a properly recorded first mortgage shall have notified Tenant in writing that it is the holder of such lien on the demised premises and shall so request, Tenant shall, in the event it requires any action under this Article, give a similar notice to such holder and such holder shall be granted 60 days after receipt thereof to commence the action required by such notice."

Except as said lease agreement dated December 18, 1964 is expressly amended hereby, each and every of the terms and conditions thereof are hereby ratified, approved and confirmed.

IN WITNESS WHEREOF, the parties hereto have executed these presents in triplicate and affixed their seals hereto as of the day and year first above written.

WITNESSES:

PATTON AVENUE DEVELOPMENT CORPORATION

By Lawrence J. Hays President

Attest: T. H. Hays Secretary

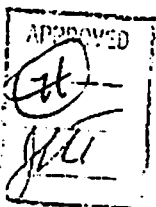
S. S. KRESGE COMPANY

By John B. Hollister Vice President

Attest: John C. Cook Assistant Secretary

J. K. Tewel

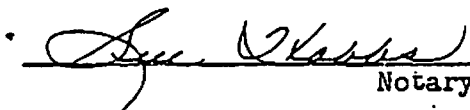
Agnes Krausman
Agnes Krausman



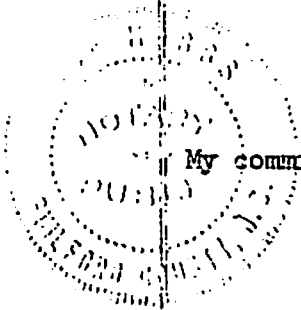
STATE OF NORTH CAROLINA) ss:
COUNTY OF GUILFORD)

I do hereby certify that on this 7th day of October, 1965,
before me, Sue Hobbs, a Notary Public in and for the County
and State aforesaid, residing therein and duly commissioned, personally
appeared Lawrence T. Hoyle and T. C. Hoyle, Jr.
known to me to be the President and Secretary of PATTON AVENUE DEVELOPMENT
CORPORATION, who, being by me duly sworn, did depose and say that they reside in
Greensboro, Guilford County, North Carolina,
respectively; that they are the President and Secretary respectively of PATTON
AVENUE DEVELOPMENT CORPORATION, the corporation described in and which executed
the foregoing instrument; that they know the seal of said corporation; that the
seal affixed to said instrument is the corporate seal of said corporation; that,
on behalf of said corporation and by order of its Board of Directors, they signed,
sealed and delivered said instrument for the uses and purposes therein set forth,
as its and their free and voluntary act; and that they signed their names thereto
by like order.

In Witness Whereof, I have hereunto set my hand and affixed my
official seal the day and year in this certificate first above written.


Notary Public

My commission expires: August 10, 1967



STATE OF MICHIGAN) ss:
COUNTY OF WAYNE)

I do hereby certify that on this 1st day of October, 1965,
before me, Lovisa Jenckes, a Notary Public in and for the
County and State aforesaid, residing therein and duly commissioned, personally
appeared John B. Hollister and John C. Cook,
known to me to be the Vice President and Assistant Secretary of S. S. KRESGE
COMPANY, who, being by me duly sworn, did depose and say that they reside in
Detroit, Michigan and Grosse Pointe, Michigan
respectively; that they are the Vice President and Assistant Secretary respect-
ively of S. S. KRESGE COMPANY, the corporation described in and which executed
the foregoing instrument; that they know the seal of said corporation; that the
seal affixed to said instrument is the corporate seal of said corporation; that,
on behalf of said corporation and by order of its Board of Directors, they
signed, sealed and delivered said instrument for the uses and purposes therein
set forth, as its and their free and voluntary act; and that they signed their
names thereto by like order.

In Witness Whereof, I have hereunto set my hand and affixed my
official seal the day and year in this certificate first above written.


Lovisa Jenckes, Notary Public

My commission expires December 4, 1967